

Retailer No. \_\_\_\_\_  
Chain No. \_\_\_\_\_

**RETAILER CONTRACT FOR THE SALE OF LOTTERY TICKETS**

The State Lottery Commission of Indiana (herein "Lottery"), a separate body politic and corporate, and \_\_\_\_\_ (herein "Retailer"), doing business as \_\_\_\_\_ (Name of business), at \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ (DBA name) (Street) (City) \_\_\_\_\_, \_\_\_\_\_, hereby enter into and execute this Contract (County) (Zip) governing the sale by Retailer of lottery tickets in the State of Indiana.

**I. SCOPE OF CONTRACT**

1. This Contract authorizes Retailer to sell lottery tickets. Retailer is bound by only those terms and conditions applicable to the type(s) of lottery tickets the Lottery has authorized Retailer to sell at the designated business location(s).
2. This Contract incorporates and Retailer agrees to comply with all provisions of Indiana Code 4-30, all rules heretofore promulgated by the Lottery and published at 65 IAC 1-1-1, et seq., and such other rules as may hereafter be promulgated (collectively the "Governing Laws"). Retailer shall instruct its employees concerning the Governing Laws.
3. This Contract incorporates by reference the most recent version of the following documents previously executed by Retailer, if any;
  - (a) Retailer Contract for Individual Chain Location;
  - (b) Supplement to Retailer Contract; or
  - (c) Amendment to Retailer Contract.

Notwithstanding the fact that this Contract may apply to multiple locations if Retailer is organized as chain of locations (stores), the parties intend that this Contract act as a separate contract between the Lottery and Retailer for each business location. Retailer may sell only the type(s) of lottery tickets identified on each Retailer's Certificate of Authority.

If, for whatever reason, this Contract is terminated with regard to one or more, but not all, of Retailer's locations, it shall continue in full force and effect for all other business locations until such time as the Contract is terminated or suspended with respect to all other sales locations.

4. Lottery shall provide Retailer with a Certificate of Authority for each business location. The Certificate shall identify Retailer, business location, and type(s) of lottery tickets which may be sold at that business location. Retailer shall at all times publicly and conspicuously display said Certificate from the date it is received until it expires.
5. Each of the persons executing this Contract hereby represents and warrants that he/she is duly authorized to execute this Contract on behalf of the party he/she represents. All information provided to the Lottery in this application process or otherwise is incorporated herein and may be relied upon by the Lottery.

## **II. TERM (For Lottery Use Only)**

This Contract shall commence on execution by both parties and shall continue through \_\_\_\_\_, 20\_\_\_\_, unless sooner terminated or suspended as provided herein.

## **III. COOPERATION WITH LOTTERY REPRESENTATIVES**

Retailer acknowledges and agrees that in exchange for valuable consideration the Lottery has granted it the privilege of selling lottery tickets to the public. Prior to any sale, however, ownership of lottery tickets shall remain with the Lottery and said tickets shall be subject to inspection by Lottery representatives during Retailer's business hours to ensure that the tickets are not defaced, scratched, marked or otherwise lacking in integrity.

Retailer agrees to and shall fully cooperate with Lottery employees, Lottery agents or law enforcement agencies in the investigation of lost, stolen, altered or counterfeit tickets and with respect to any administrative proceeding or lawsuit arising out of the sale of lottery tickets. Retailer further agrees to and shall immediately report to the Lottery any knowledge of unlawful activities or other improprieties that concern the sale of lottery tickets or otherwise affect the operation of the Lottery. Retailer also agrees that the Lottery shall have the continuing right to secure credit reports on the Retailer.

## **IV. PAYMENT TO RETAILER**

Retailer shall be credited with a commission of six percent (6%) on each draw ticket and five and one half percent (5.5%) on each instant product (scratch-off tickets and pull-tab tickets) purchased from it. In addition, Retailer shall receive a one percent (1%) cashing bonus for each valid, winning ticket paid at its location. The Lottery has also established bonus/incentive plans for additional payments to Retailer. Notwithstanding the foregoing, the Lottery may withhold, and Retailer shall forfeit, any incentive plan payment in the event Retailer violates any term or condition of this Contract. Further, Retailer will not be eligible for or entitled to participate in the incentive plan if it sells instant products solely from vending machines.

**V. NON-TRANSFERABILITY AND NON-ASSIGNABILITY OF CONTRACT**

Except as expressly permitted in writing by the Lottery, this Contract is neither transferable nor assignable to any other person or entity.

**VI. ACCESS TO RECORDS**

Retailer agrees to and shall maintain and retain financial and accounting records of all lottery transactions for three (3) years from the date of the transaction. Retailer agrees to make any and all books, documents, papers and records available for inspection, review and copying at any time requested by the Lottery or its representatives.

**VII. PERFORMANCE OF RETAILER OBLIGATIONS**

1. Retailer agrees to and shall:

- a. meet the qualifications required by the Lottery for the sale of lottery tickets and acknowledge that the Lottery makes no representations or warranties as to whether Retailer may be prohibited from engaging in the sale of lottery tickets;
- b. inform the Lottery in writing within thirty (30) days of becoming aware of any occurrence which may make Retailer ineligible to act as a retailer;
- c. not enter into subcontracts for any work required to be performed by it under this Contract;
- d. only sell lottery tickets which are supplied to it by the Lottery or its vendors in the manner prescribed and at the prices fixed by the Lottery;
- e. not extend credit or loan money to a person for the purchase of a lottery ticket but may accept a credit card or check in the ordinary course of business;
- f. not knowingly sell lottery tickets or pay prizes to anyone under the age of eighteen (18) years and establish safeguards to ensure that no sales are made to such persons;
- g. be responsible and liable for any and all lottery tickets accepted or generated by an employee or a representative of the Retailer including, but not limited to, those that are lost, stolen, or destroyed;
- h. not sell lottery tickets as its exclusive product;
- i. conspicuously display and maintain its Certificate of Authority, the official statement of the estimated odds of winning a prize, and such point-of-sale materials, game end date lists and other game related information provided by the Lottery;
- j. maintain a supply of Claim Forms for use by the public in claiming prizes by mail;
- k. maintain a minimum volume of lottery ticket sales at a level set by the Lottery;
- l. hold in trust all money received by Retailer from the sale of lottery tickets, less the amount retained as Retailer's commission and the amount paid out as prizes, until delivered to the Lottery;

- m. maintain an electronic funds transfer (EFT) account for payment of amounts due the Lottery from the sale of lottery tickets;
- n. notify the Lottery in writing at least thirty (30) days in advance of its intent to change the bank account it uses for lottery transactions and provide a voided check or deposit slip from the new account or a statement from Retailer's bank which identifies the new account and routing number;
- o. make payments to the Lottery in full on a weekly basis pursuant to a regular weekly settlement schedule and pay fees associated with delinquent payments as set forth herein and in the Governing Laws;
- p. participate in Lottery sponsored promotions and abide by promotional procedures published by the Lottery, including those requiring prizes to be distributed to in-store employees;
- q. attend retailer training programs conducted by the Lottery;
- r. exercise ultimate control and supervision over its employees selling lottery tickets and be fully responsible and liable therefor;
- s. pay all expenses associated with its performance of this Contract;
- t. be responsible for all actual costs incurred in removing from Retailer's business premises any equipment or materials which are the property of the Lottery or its vendors;
- u. comply with schedules established by the Lottery concerning ticket activations, last date to sell tickets, and last date to return tickets;
- v. inform players with disputes or grievances about lottery tickets to contact the Lottery for administrative review;
- w. maintain as confidential validation processes, and related data and information on terminal operations and functions;
- x. consent to and cooperate with security audits by the Lottery or its representatives;
- y. notify the Lottery in writing at least thirty (30) days in advance of any proposed change in business location, directors, officers, ownership or entity structure, as defined in the Governing Laws, or Retailer's intent to cease operation of its business or discontinue the sale of lottery tickets. Such changes may result in the suspension of a Retailer's Certificate of Authority and may require Retailer to submit a new application and additional disclosures or to amend the Contract, all as provided in the Governing Laws.

2. A Retailer authorized to sell instant products (scratch-off tickets and pull-tab tickets) further agrees to and shall:

- a. validate tickets through the bar code reader which shall be installed and moved only by the Lottery;
- b. not sell any tickets that have been defaced, previously scratched or otherwise played;
- c. provide all necessary telephone and electrical lines, circuits, outlets, and other equipment required by the Lottery for operation of the bar code reader;

- d. stock and maintain the ticket dispenser(s) provided by the Lottery, if any, which shall be displayed near the cash register;
  - e. display and carry scratch-off and/or pull-tab games for sale to the public at various prices and in such quantities as required by the Lottery; and,
  - f. if authorized by the Lottery, maintain an Instant Ticket Vending Machine and/or Pull-Tab Vending Machine (herein individually and collectively referred to as “vending machine”), in compliance with the following:
    - (1) certify that its sales location is at least one thousand (1,000) feet from any pre-school or elementary, middle or high school;
    - (2) place the vending machine at a site within its sales location, subject to the prior approval of the Lottery, within sight of a customer service area or at least two (2) always-open checkout stations, depending upon the nature and lay-out of its sales location;
    - (3) provide at its cost a grounded 110 AC volt service outlet within ten (10) feet of the vending machine, which service cannot and shall not also be used to power a compressor;
    - (4) keep the vending machine loaded and operational with a variety of scratch-off or pull-tab games at all times while Retailer is open for business;
    - (5) make sales location manager and at least two (2) other employees available for such training as the Lottery and the vending machine manufacturer deem necessary at the time of installation, said training to be scheduled with forty-eight (48) hours advance notice and at such other times and places as the Lottery may require;
    - (6) call the telephone number provided by the Lottery to report all problems with the vending machine as soon as Retailer recognizes that it cannot solve or cure the problem;
    - (7) use a remote control shut-off device for purposes which include, but are not necessarily limited to, preventing and prohibiting the operation of the vending machine by any person under the age of eighteen (18) years and protecting the security and integrity of the vending machine;
    - (8) be and remain responsible for costs associated with damage to or loss or theft of the vending machine and/or its associated peripherals, including the locking mechanism and keys;
    - (9) make keys available to LSRs for the ticket inventory area (but not for the cash box area) of the vending machine; and
    - (10) cooperate with, assist, facilitate, comply with, honor, or otherwise satisfy the Lottery, the vending machine manufacturer or the vending machine repair/service company with regard to any facet of the operation of the vending machine including, but not necessarily limited to, requests for information of any kind, service and/or repair work and sales data.
3. A Retailer authorized to sell draw tickets further agrees to and shall:
- a. generate tickets from a computer terminal which shall be installed and moved only by the Lottery;
  - b. provide all necessary electrical lines, circuits, outlets, and other equipment required by the Lottery for operation of the terminal;
  - c. sell tickets for all draw games established by the Lottery;

- d. provide space near the terminal for a free standing play station supplied with play slips, pencils and brochures;
- e. only accept play slips issued by the Lottery and marked by hand in pencil or blue or black ink; and
- f. pay a service charge of twelve dollars (\$12.00) per week to the Lottery as a part of each weekly settlement to partially offset telecommunications costs. Retailer shall be notified ninety (90) days in advance of any change in the amount of the service charge.

#### **VIII. PAYMENT OF TICKETS BY RETAILER**

1. Retailer agrees to and shall redeem all winning scratch-off, draw and pull-tab tickets with prizes less than or equal to twenty-six dollars (\$26) and may, within its discretion, redeem prizes up to and including six hundred dollars (\$600). Retailer shall, upon presentation of winning lottery tickets, perform the necessary authorization and validation procedures during the Lottery's validation hours. Retailers shall direct players presenting winning scratch-off, draw and pull-tab tickets with prizes over six hundred dollars (\$600) to seek payment from one of the Lottery's regional offices throughout the State of Indiana with the exception of the regional office located on Decatur Blvd. in Indianapolis. Players can also seek payment at the Lottery headquarters in Indianapolis.
2. When redeeming a ticket, Retailer agrees to and shall deface that ticket by marking it paid, shredding, tearing the ticket in multiple pieces or punching a hole through it. A Retailer who fails to deface a winning ticket shall be liable to the Lottery for the winning amount if it is subsequently validated by another Retailer. Further, a Retailer who fails to deface a winning ticket shall be assessed a fee of ten percent (10%) of the prize amount of the winning ticket if it is subsequently submitted to the Lottery for payment. The Lottery is not liable to a retailer that redeems a defaced ticket unless the redemption was done beyond the Lottery's normal validation hours. The Lottery will not, moreover, accept Retailer returns on tickets that have been defaced.

#### **IX. MINIMUM SALES LEVELS AND RESTRICTIONS ON SALES**

1. The Lottery may, at its discretion, establish minimum sales requirements that retailers must achieve. If Retailer fails to meet established sales requirements within ninety (90) days of notification by the Lottery of such requirements, this Contract may be terminated at the Lottery's discretion.
2. No Retailer or any relative living in the same household as Retailer may purchase a lottery ticket at Retailer's sales location. No Retailer employee or a relative living in the same household as a Retailer employee may purchase a lottery ticket at the sales location where the employee is employed. If the Retailer is a chain with two (2) or more locations, its employees and relatives living in the same household as those employees may purchase tickets at Retailer's locations other than those at which the employee is employed.

## **X. INDEMNIFICATION AND LIABILITY FOR DAMAGE**

1. Retailer agrees that it shall perform as an independent contractor and not as an agent, employee, partner, joint venturer or associate of the Lottery. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
2. Retailer agrees to and shall defend, protect, hold harmless and indemnify the state of Indiana, the Lottery, commissioners, officers and employees of the Lottery from and against all claims, suits, actions or judgements, including costs, expenses and attorney's fees, resulting from any willful or negligent act or omission of Retailer, its agents or employees while performing under the terms of this Contract.
3. All equipment provided to Retailer by the Lottery or its vendors shall remain the property of the Lottery or its vendors and Retailer shall acquire no interest whatsoever in the equipment. Retailer agrees to and shall be responsible for any loss or damage to property of the Lottery or its vendors which results from the willful or negligent act or omission by Retailer or which results from the failure on the part of Retailer to maintain and administer that property in accordance with the Governing Laws or any other directions received from the Lottery. Retailer agrees that upon the theft, loss, destruction, or damage of any Lottery or vendor property, Retailer shall immediately notify the Division of Security of the Lottery both by telephone, (317) 264-4800, and in writing and shall take all reasonable steps to protect the property from further damage or loss.

## **XI. TERMINATION AND DEACTIVATION**

1. Retailer may terminate this Contract at any time upon thirty (30) days written notice to the Lottery.
2. The Lottery may terminate this Contract at any time upon thirty (30) days written notice to Retailer. This Contract may also be terminated or suspended by the Lottery without notice if an emergency exists involving a violation of this Contract or the integrity, security, honesty, or fairness of the operation of the lottery. Suspension or termination of this Contract may be for reasons which include, but are not limited to, the following:
  - a. Retailer violated any term or condition of this Contract, the Governing Laws, or any directive or instruction issued by the Director of the Lottery;
  - b. Retailer provided false or misleading information in order to obtain a Contract or Certificate of Authority;
  - c. Retailer erroneously represented and warranted that it meets the retailer requirements set forth in the Governing Laws;
  - d. Retailer or a controlling person of Retailer was convicted of a felony or an offense involving dishonesty or any gambling related offense;

- e. Retailer knowingly employs a person who has been convicted of a felony or a offense involving dishonesty or gambling;
- f. Retailer maintains a gambling device in its retailer location;
- g. Retailer or a controlling person of Retailer engaged in conduct that reflects negatively on Retailer or the Lottery in the sole discretion of the Lottery;
- h. Retailer or a controlling person of Retailer have a delinquent outstanding tax debt owed to any federal, state or local government;
- i. Retailer is the subject of a voluntary or involuntary bankruptcy or has had a receivership imposed upon it;
- j. Retailer endangered the efficient operation or security of the Lottery or the lottery operations;
- k. Retailer failed to meet the volume of sales established for Retailer by the Lottery;
- l. Retailer failed to accurately account for lottery tickets, revenues or prizes as required by the Lottery;
- m. Retailer failed to timely remit or is delinquent in remitting money owed to the Lottery;
- n. Retailer committed any fraud, deceit or misrepresentation to the Lottery, any individual purchasing a lottery ticket from Retailer, or otherwise;
- o. Retailer sold a lottery ticket to a person under eighteen (18) years of age, a relative living in Retailer's household, a person in Retailer's employ, a relative living in the same household with a person in Retailer's employ, or at a price different than authorized by the Lottery;
- p. Retailer paid a prize to a person under eighteen (18) years of age;
- q. Retailer sold a lottery ticket at a place other than stated on its Certificate of Authority;
- r. Retailer did not prominently display its Certificate of Authority or other information provided by the Lottery regarding lottery games;
- s. Retailer sold lottery tickets for a lottery game prior to the announced commencement date of the game or during the sixty (60) day period preceding the last date to claim a prize;
- t. Retailer failed to return tickets by the last day for returns established by the Lottery;
- u. Retailer knowingly failed to enter a play in a draw game into the Lottery's central computer system pursuant to the request of a ticket purchaser;
- v. Retailer knowingly canceled a draw ticket without being requested to do so by the purchaser of the draw ticket;
- w. Retailer fails to maintain instant product ticket stock after notice was given by the Lottery;
- x. Retailer continues to allow an employee under investigation by the Lottery or law enforcement for violation of lottery statutes to sell, redeem or stock Lottery products; or
- y. Retailer or its employees breach the confidentiality provision of this Contract and disclose validation procedures, data or information on terminal operations and functions.



3. The Lottery may, within its discretion, deactivate the draw-game terminal or bar code reader at any sales location if:
  - a. Retailer is using the equipment to purchase, sell or redeem tickets in a manner contrary to the law or the efficient operation of the Lottery;
  - b. Retailer is using the equipment to generate tickets for a drawing which has already taken place;
  - c. The equipment is malfunctioning;
  - d. Retailer is delinquent in remitting money owed to the Lottery;
  - e. Retailer is using the equipment improperly; or
  - f. Retailer is using the equipment in any manner which is, in the discretion of the Lottery, contrary to the best interests of the Lottery.

## **XII. RECOURSE IN EVENT OF TERMINATION OR SUSPENSION**

Retailer agrees to abide by the retailer appeal process set forth in the Governing Laws, and agrees that, with the exception of a civil action allowed under the Governing Laws, proceeding under the retailer appeal process is Retailer's exclusive remedy.

Retailer may, in the discretion of the Lottery, continue to operate under this Contract and its Certificate of Authority until the retailer appeal process has been completed.

## **XIII. GOVERNMENT COMPLIANCE**

Retailer agrees to comply with all applicable laws, codes, ordinances, rules, regulations and orders, including without limitation, all laws governing zoning, health, safety, fire safety, and occupational hazards. Retailer acknowledges and agrees that it has certain obligations under the Americans with Disabilities Act to make its premises accessible to people with disabilities and certifies that it has complied or will comply with all applicable regulations and guidelines. Retailer further covenants and agrees that it will not discriminate on the basis of race, color, religion, sex, age, national origin, or disability in its employment practices or in the provision of goods or services. Retailer agrees to indemnify and hold the Lottery harmless from any loss, damage, liability, cost or expense, including attorney's fees, resulting from a violation on the part of the Retailer of such laws, codes, ordinances, rules, regulations or orders.

## **XIV. BREACH OF CONTRACT**

1. Retailer agrees that failure by Retailer to comply with any of the terms of this Contract shall constitute a breach of this Contract.
2. If one (1) party fails to remit monies due the other in accordance with this Contract, the defaulting party shall pay to the non-defaulting party all amounts remaining due under this Contract, plus simple interest at twelve percent (12%) per annum accruing from the date such amount was due until payment is made in full.

3. In the event of any breach of Contract other than that involving the remittance of monies, it shall be difficult, if not impossible, to determine the amount of damages resulting therefrom. Therefore, the parties agree that in the event of such default under this Contract, the defaulting party shall pay to the non-defaulting party liquidated damages consisting of one thousand dollars (\$1,000.00).

#### **XV. MISCELLANEOUS**

1. All powers of the Lottery hereunder may be performed by the Director of the Lottery, the Director's designee or other such person who is authorized to exercise such powers.
2. Retailer acknowledges and agrees that from time to time the Lottery may require Retailer to post a bond or letter of credit in an amount and in a form determined by the Lottery or to participate in a bonding program created by the Lottery.
3. The Lottery shall have no power to conduct warrantless searches.
4. If any term of this Contract is determined to be invalid or unenforceable under any statute, regulation, ordinance, executive or judicial order, contract, or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, contract or rule, and the remaining provisions of this Contract shall remain in full force and effect.
5. This Contract is to be construed in accordance with and governed by the laws of the state of Indiana. Any lawsuit arising out of this Contract must be brought and maintained in Marion County, Indiana.
6. Retailer hereby covenants and agrees to make good faith efforts to provide and maintain, during the term of this Contract, a drug-free workplace and to give written notice to the Lottery within ten (10) days after receiving actual notice that an employee of Retailer has been convicted of a criminal drug violation occurring in Retailer's workplace. It is further expressly agreed that the failure of Retailer to comply in good faith with the terms of this provision, or the falsification or violation of the terms of the Certification, shall constitute a material breach of this Contract and shall entitle the Lottery to impose sanctions against Retailer, including, but not limited to, suspension of Retailer's license, termination of the Contract and/or debarment of the Retailer from doing further business with the Lottery for up to three (3) years (Executive Order No. 90-5).

THE STATE LOTTERY  
COMMISSION OF INDIANA

By: \_\_\_\_\_

Director

\_\_\_\_\_  
Date

RETAILER

\_\_\_\_\_  
Name of Business

By: \_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date